

AM03

Notice of administrator's proposals



Companies House

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18/10/2019

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COMPANIES HOUSE

1 Company details

Company number 0 8 5 3 8 2 2 4

Company name in full Level Global Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew

Surname Pear

3 Administrator's address

Building name/number 82 St John Street

Street

Post town London

County/Region

Postcode E C 1 M 4 J N

Country

4 Administrator's name ①

Full forename(s) Michael

Surname Solomons

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ①

Building name/number 82 St John Street

Street

Post town London

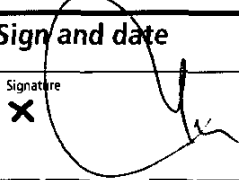
County/Region

Postcode E C 1 M 4 J N

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature		
Signature date	^d 1 ^d 6	^m 1 ^m 0	^y 2 ^y 0 ^y 1 ^y 9

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Teresa Anivarro

Company name BM Advisory

Address 82 St John Street

Post town London

County/Region

Postcode EC1M 4JN

Country

DX

Telephone 020 7549 8050



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**IN THE HIGH COURT OF JUSTICE
NO. CR - 2019 - 005557**

LEVEL GLOBAL LIMITED – IN ADMINISTRATION

**ADMINISTRATORS' PROPOSALS PURSUANT TO PARAGRAPH 49
OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act")**

1. INTRODUCTION

Andrew Pear and Michael Solomons of BM Advisory of 82 St John Street, London, EC1M 4JN were appointed Administrators of the Company on 2 September 2019, following an application by the directors of the Company.

The Administrators' appointment specified that they would have the power to act jointly and severally. They have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment. The Administrators are bound by the Insolvency Code of Ethics and the regulations of their licensing body when carrying out all professional work relating to this matter.

Statutory information relating to the Company is attached at **Appendix I**. These proposals are deemed to be delivered to creditors on 18 October 2019.

2. BACKGROUND AND EVENTS LEADING TO THE APPOINTMENT OF ADMINISTRATORS

Company background

Level Global Limited, formerly known as ERPAAS Limited, ("the Company") was incorporated on 21 May 2013 as a subsidiary company of Level Global (Holdings) Limited ("LGH"), the sole shareholder of the Company. ERPServe.com Limited ("ERPS") was also a subsidiary company of LGH (all together "the Group"). The Group's focus was to develop and market Artificial Intelligence software products that assisted businesses with decisions regarding the four shared service areas of human resources, payroll, finance and procurement.

Initially it was envisaged that ERPS would hold any Intellectual Property developed by the Group and the Company would act as the main operating company, trading from rented premises at 4th Floor 1 Kingdom Street, London, W2 6B, with a license and intercompany trading arrangements between the two. However, as the business developed, ERPS remained dormant until it was dissolved in July 2019.

The business was initially funded by way of seed funding, raised in 2013, of £500,000. Throughout the existence of the business, circa £7.5m of further equity was invested into LGH. This was then loaned by LGH to the Company which facilitated the development of its various products. This, in turn, enabled it to obtain contracts from clients such as the NHS as well as a FTSE 100 entity.

In January 2019, the Group appointed Panmure Gordon as broker and embarked on a pre-IPO institutional fund raising exercise, with the aim of securing cornerstone investors for a possible future IPO. The corporate plan, which was signed off by the Board in December 2018, would see the business 'IPO ready' by December 2019, with a view to listing in the first half of 2020, subject to market conditions.

The development of the AI and Software as a Service ("SaaS") technology resulted in contracts being won in both the technology and healthcare sectors. Whilst these contracts did not generate sufficient revenue for the Company to trade profitably, it demonstrated that the products were marketable and further pipeline contracts were of a quantum that indicated profitability could be achieved within 12 months. However, due to the significant costs of development and service staff, it was necessary to seek further capital investment in order to be able to trade through the interim period.

Efforts were also made to raise private investment as a contingency and two independent fund-raisers, who specialised in private fund-raising, were appointed to assist. Furthermore, the Board also engaged with CapConnect, an independent organisation that coordinates investment on behalf of clients. As LGH was a member of the London Stock Exchange Elite programme, it was entitled to raise funds using the London Stock Exchange

Elite platform. This platform exposed the business and its funding requirement to over 1,000 family offices, institutional investors and high net worth individuals in the UK and overseas investment markets.

Despite this, the business was unable to obtain sufficient investment and BM Advisory was engaged on 4 July 2019 to provide advice to the Board of both the Company and LGH and to assist with marketing the business. BM Advisory initially met with the directors on 14th June 2019 having been introduced to the Company by Thish De Zoysa, a professional contact of BM Advisory.

In order to assist in the process, BM Advisory introduced the Board to Metis Partners ("Metis") and Hilco Valuation Services, two commercial intellectual property consulting firms with a broad range of professional IP experience focused on the assessment, exploitation, valuation, monetisation and sale of intellectual property assets. Metis were selected from these two firms based upon their expertise in this sector.

The role of BM Advisory at this time was a hierarchy of three strategies; firstly, to assist the Board and Metis in seeking equity investors into LGH for the purpose of securing funding for the Company to complete the development of its AI offering and trade through to a profitable position. Secondly, should the first option not be achievable, to source a purchaser for the shares of the Company. This second option was sought on the basis that any sale revenue would generate a distribution to the shareholders of LGH. Metis assisted in both the first and second tiers. The third role was to provide comment upon the solvency of the Company during weekly Board meetings. These meetings were held remotely and BM Advisory commented upon the cash-flow and budgetary requirements of the Company.

During this period, it is understood that the Board of LGH approached a number of existing shareholders with a view to recapitalising the parent company in order to make further funds available to the Company. BM Advisory were made aware of these approaches but as potential Administrators of the Company, were not party to the correspondence or aware of the names of the parties approached.

In late July and early August 2019 BM Advisory were engaged to negotiate a 'time-to-pay' arrangement with HM Revenue and Customs in relation to PAYE and National Insurance arrears, totalling over £348,000. The arrangement was put in place for the purpose of easing the cashflow difficulties whilst extending the marketing period.

At this time, a Research and Development ("R&D") Tax rebate was also being processed. This had been recorded in the Company's cash-flow projections as being received in time to cover the July payroll. Unfortunately, due to a backlog in the R&D HMRC processing department, the rebate was delayed until mid-August. In order to ensure that the July payroll could be met, the Board sought a short-term bridging loan. Whilst commercial terms were sought, the Board resolved, under scrutiny and approval from BM Advisory, to agree short-term secured loans from two connected parties, those being Simon Sacerdoti and Susan Robinson. These loans were made to the Company on 30 July 2019, in order to meet the July payroll and secured by debentures both created on 30 July 2019 and registered on 2 August 2019. The loan to Susan Robinson was repaid in full and the debenture satisfied at Companies House on 19 August 2019, following receipt of the R&D Tax rebate. The liability to Simon Sacerdoti was partly repaid with a small balance still owed of £566.

It should be noted that, had the Company continued to trade then a further R&D tax rebate, estimated to be in excess of £400,000, may have been recoverable at some point in the future.

During July and August 2019 BM Advisory and Metis Partners ("Metis") made contact with various parties, including private equity, family offices, technology funds, technology companies and high net worth individuals. Contact was made via direct correspondence and the provision of a marketing document. Metis also set-up and managed a data room for which interested parties, once they had signed NDA's, were granted access. Further comment in relation to the marketing of the business and assets is detailed below. Whilst the interest generated was largely positive, it was perceived by the majority of interested parties that the cost to completion of the AI software and the monthly salaries of the 43 staff were prohibitive to any investment/acquisition.

Please note the Company background and history is based on publicly available information and information provided by the directors.

Summary of financial history

A summary of the Company's recent financial history is shown below:

Balance sheet	As at 30 September 2018	As at 30 September 2017	As at 30 September 2016
	£	£	£
Fixed assets	10,651	8,280	278,089
Current assets			
Debtors	369,349	77,032	256,492
Cash at bank	50,217	29,125	73,764
	430,217	114,437	608,345
Liabilities			
Creditors: within one year	(4,469,686)	(2,350,040)	(913,514)
Creditors: due after one year			
Net assets/(liabilities)	(4,039,469)	(2,235,603)	(305,169)
Called up share capital	1	1	1
Profit and loss account	(4,039,470)	(2,235,604)	(305,170)
	(4,039,469)	(2,235,603)	(305,169)

Source: Statutory and Management accounts

It should be noted that the accounts have not been verified for accuracy and therefore, may not reflect the Company's true financial position.

Reasons attributable to the appointment of Administrators

When it became apparent that neither options one or two, as outlined above, were likely to be achieved, the Board, under advice from BM Advisory, then proceeded to instruct Metis to notify all previously interested parties, that offers would be sought for the business and assets of the Company via an Administration.

At this point the Board approached its two main clients, with a view to offering them the opportunity to acquire the Intellectual Property ("IP") to the platforms which they were operating. This generated interest from both parties and resulted in an indicative offer from one client, SSE Plc ("SSE"), of £400,000.

The potential options of continuing the business on the basis of securing short term additional funding, Creditors' Voluntary Liquidation and Administration were all considered following the failure to achieve a share sale. At this time, there were ongoing discussions with several parties with regard to a sale of either the business as a whole or portions thereof. However, no acceptable offers for the business as a going concern were received. Whilst the offer from SSE was under negotiation, which represented the best offer for any portion of the Company's assets, SSE stated that they would only contract with Administrators and not the Board of the trading entity. At this stage the Board took the decision to place the Company into Administration.

At this point, on 29 August 2019, the majority of the staff, 30 of 43, were made redundant by the Company.

Due to the Company's financial position and in order to attempt to preserve the business as a whole, the Company was placed into Administration on 2 September 2019. At this point, the directors' contracts of employment were terminated by the Joint Administrators, by way of redundancy. Whilst the Company ceased trading, 10 staff were retained to support with the sale and the proposed migration of the software.

Neither the Administrators nor BM Advisory have had any prior relationship with the Company, its directors or shareholders, other than the work undertaken in the pre-appointment period (details of which are set out in this report) and to assist with placing the Company into Administration.

3. OBJECTIVES OF ADMINISTRATION AND STRATEGY FOR ACHIEVEMENT BY THE ADMINISTRATORS

The Administrators are acting as officers of the Court and must perform their duties in the interests of the creditors as a whole. The purpose of the Administration process is to achieve one of the three objectives set out in the Act, namely:-

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as the financial circumstances of the Company meant that it could not be rescued as a going concern through a share sale and a Company Voluntary Arrangement was not appropriate either due to insufficient cashflow. Additionally, although realisations are significantly higher than in a liquidation scenario, objective (b) could not be achieved as asset realisations are only sufficient to make a distribution to the secured creditors and any preferential creditors. This has been accomplished by realising the Intellectual Property and Goodwill of the business in the asset sales to SSE and Mr Devine.

Therefore the purpose of the Administration is objective (c) and this will be accomplished by discharging the debt owed to the secured creditor from the assets sold, settling the costs of the Administration and making a distribution to the preferential creditors.

These transactions would not have been possible in a Liquidation scenario due to the short time-frames involved and further details are set out in this report.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the period is extended by the Court or the creditors. If the Administration cannot be completed within 12 months then it will be necessary to either apply to Court, or seek approval from creditors, to extend the Administration.

Further information can also be found at www.creditorinsolvencyguide.co.uk which is designed to provide creditors with a step by step guide to the insolvency process.

4. CONDUCT OF THE ADMINISTRATION

Actions of the Administrators following appointment

Prior to the appointment, alternative courses of actions were also considered such as a sale of the share capital, however, this could not be achieved. Given the Company's financial circumstances and with no alternative funding available ruling out the feasibility of a Company Voluntary Arrangement the only viable options remaining to the Company were Administration or Liquidation. The nature of the remaining assets, that being the IP and Goodwill, were such that, in a liquidation scenario, a delay in the transition to an acquirer would significantly diminish the realisable value. Provided below is a comparison of the estimated outcome in each scenario based on current information:

Estimated outcome statement	Notes	Administration (going concern) £	Liquidation (forced sale) £
Assets subject to a fixed charge			
Intellectual property, goodwill etc.		122,500	28,000
Less: Costs regarding transition to maximise sale		(29,626)	-
Less: Secured creditor	1	(566)	(566)
ESTIMATED SURPLUS FROM FIXED CHARGE REALISATIONS C/DOWN		92,308	27,434
Assets subject to a floating charge			
Computer & office equipment		2,250	2,250
VAT recoverable		-	-
Lease deposit		-	-
Cash at bank		17,128	17,128
Accounts receivable		-	-
		19,378	19,378
Estimated surplus from fixed charge realisations b/down		92,308	27,434
Estimated surplus available to floating charge creditors		111,686	46,812
Cost of realisations			
BM Advisory's pre appointment fees	2	(25,000)	(25,000)
Officeholders' fees	3	(35,637)	(15,000)
Officeholders' expenses		(698)	(548)
Provision for out-of- pocket expenses		(2,000)	(2,000)
Agents' fees	4	(26,375)	(3,800)
Legal fees		(15,000)	(2,500)
Employment agents		(1,500)	(1,500)
Statutory advertising		(74)	(221)
Insurance		(400)	(400)
		(106,684)	(50,969)
ESTIMATED TOTAL SURPLUS/(SHORTFALL) AVAILABLE TO PREFERENTIAL CREDITORS		5,002	(4,157)
Preferential creditors			
Preferential employee claims		(86,659)	(86,659)
Estimated surplus/(shortfall) available to floating chargeholders		(81,657)	(90,816)
Estimated prescribed part of net property (to c/fwd)		-	-
Floating chargeholders		-	-
ESTIMATED TOTAL SURPLUS/(SHORTFALL) FROM FLOATING CHARGE REALISATIONS		(81,657)	(90,816)
Estimated surplus from floating charge realisations		(81,657)	(90,816)
Estimated prescribed part of net property (b/down)		-	-
ESTIMATED TOTAL SURPLUS AVAILABLE TO UNSECURED CREDITORS		(81,657)	(90,816)
Unsecured creditors			
Loan - Level Global (Holdings) Limited		(7,437,958)	(7,437,958)
Trade and expense creditors		(182,674)	(182,674)
HM Revenue & Customs		(212,976)	(212,976)
Unsecured employee claims		(235,820)	(235,820)
Consumers		(122,306)	(122,306)
		(8,191,734)	(8,191,734)
ESTIMATED DIVIDEND TO UNSECURED CREDITORS p/£		0.00	0.00

NB: The above estimated outcome statement shows the likely dividend to creditors in the Administration, based on estimated cost of realisations to date. Should the costs of the Administration differ from the current estimate, the estimated dividend to creditors will change.

NOTES

1. Simon Sacerdoti loan (secured by a debenture dated 30.07.19).
2. It is only anticipated that we will recover £25,000 in respect of BM Advisory's pre appointment fees and therefore the balance of £24,768 is likely to be written off.
3. It is only anticipated that we will recover £35,637 in respect of the Joint Administrators' post appointment remuneration and therefore any balance of time costs is likely to be written off.
4. Metis' fees relate to 15% of realisations of intangible assets. Key Appraisal's fees relate to time cost basis in dealing with tangible assets.

Immediately subsequent to their appointment the Joint Administrators took control of the business and assets and terminated the employment of the Board via redundancy.

The business or business assets have not been acquired through an insolvency process within the previous 24 months.

Marketing and valuation of the business and assets

As mentioned above, both BM Advisory and Metis undertook a bespoke marketing process with a view to seeking investment or sale opportunities. During the pre-Administration period, BM Advisory contacted 69 targeted entities. These were organisations or individuals with a known interest in the sector. Contact was made via telephone and/or an email with a teaser document. Interested parties were then required to sign an NDA in advance of receiving further information or being granted access to a data room hosted by Metis. Metis also sent a teaser e-shot to over 700 contacts with sector interest and 3,400 in their general marketing database. In total, there were 19 expressions of interest. BM Advisory generated interest which resulted 6 NDA's being returned for access to the data room, a further 4 parties introduced by Metis returned NDA's for access to the data room. This process was commenced on 24th July 2019 and deadlines for offers for investment or acquisition set for 9th August 2019. No substantive offers were received.

When it became apparent that an acquirer would not be found for the shares of the Company a further e-shot was sent to 600 parties that had not opted out of the process from the first mailshot, as well as 97 shareholders of LGH on 23rd August 2019 with offers requested for submission by 30th August 2019. This communication resulted in requests for access to the data room from 8 LGH shareholders and from SSE. It also generated an offer for the Intellectual Property and Goodwill of the Company from Mr Kevin Devine for £22,500. At this time, SSE had also made an offer for the Intellectual Property associated with the system they utilised. This offer was made on the basis that SSE would only contract with Administrators and would not contract with the Board. Due to the nature of the assets involved and the protracted nature of the marketing process, a valuation of the Intellectual Property and Goodwill was not deemed appropriate, the costs of obtaining a valuation would have been significant and would not have increased the quantum achievable as the sale process was conducted in an arm's length manner which achieved the highest possible realisation in the circumstances.

Following the appointment of Administrators on 2nd September 2019 and following advice from Metis, a communication was issued to all interested parties requesting offers for the business and/or assets. A meeting was also held on 4th September 2019, between the Joint Administrators and an LGH shareholder group. Whilst a deadline for offers had been set for Thursday 5th September 2019, in order to allow the shareholder group the opportunity to perform due diligence and canvass support for their bid, the deadline was extended to Monday 9th September 2019. Due to factors surrounding the provision of information to new bidders and to ensure all parties were given the opportunity to perform due diligence, a final deadline of Tuesday 10th September was communicated to bidding parties.

Independent agents, namely Stephen Robertson and Ruby Chan of Metis Partners, were instructed on 6 September 2019 to carry out a valuation of the Intellectual Property, Metis having previously being engaged by the Company for the purpose of marketing the Company, the business and the assets. The valuation was conducted by reviewing the turnover and marketability of the software as well as the cost of transition. Another firm of independent agents, Key Appraisal Limited were instructed to deal with the physical assets of the Company. The agents confirmed their independence to act in this matter and that they carry adequate professional indemnity insurance.

Sale of the business and assets

As mentioned above, SSE had previously made an indicative offer to acquire the IP upon which its service operated prior to the Administration. The Administrators sought an independent valuation of these assets from Metis on 6 September 2019 and a report was received from Metis on 16 September 2019. This valuation gave a range of £28,000 to £42,000. Whilst the initial offer received prior to the Administration was for £400,000, SSE made a reduced offer to the Administrators of £50,000, plus VAT. Whilst it is not unusual for assets to diminish in value subsequent to an insolvency event, due to there being no warranties upon sale and although this offer was in excess of the valuation provided by Metis, it was apparent this was considerably below SSE's indicative offer prior to Administration. The Joint Administrators therefore rejected this offer. SSE returned with a final offer of £100,000, plus VAT, which was accepted. A ten percent non-refundable deposit was received prior to the commencement of the transfer of software, with the balance received in full upon completion of the migration process.

Due to the complexity of the transition process, it was necessary to utilise the technical staff for the purpose of the transfer. It was initially anticipated that the transfer of the assets would be completed by 13 September 2019, however, due to there being issues outside of the transfer team's control, the transfer did not complete until 25 September 2019. In order to complete this process it was necessary to retain former employees on a consultancy basis. All staff had been made redundant by 13 September 2019.

The remaining intangible assets, that being all other IP, the Goodwill, website and trading name, were sold to Kevin Devine for £22,500. Although Mr Devine is a shareholder of LGH, he is not considered an associated person, as defined in Section 435 of the Insolvency Act 1986, since he did not have control of LGH. The quantum obtained was considered the best achievable as the marketing exercise performed for the purpose of generating offers for the business and assets had been exhausted. Again, a ten percent deposit was paid upon the acceptance of the offer with the balance paid in full upon the completion of the transfer. Whilst Mr Devine acquired the assets personally, it is understood that two of the Company's directors may have agreed to work with him moving forward, namely Simon Robinson and Samik Kumar.

The remaining assets, being office furniture and equipment, are being realised by Key Appraisals Limited. It is anticipated that they will realise somewhere between £2,250 and £3,250.

Neither sale was part of a wider transaction.

5. FINANCIAL POSITION OF THE COMPANY

On 17 September 2019, Simon Sacerdoti, one of the directors of the Company, provided the Administrators with a Statement of Affairs ("SoA") as at 2 September 2019, which is attached at **Appendix II**. This Statement has been issued to the other directors so as to obtain Statements of Concurrence.

The SoA records the assets and liabilities at their estimated book value and realisable value at the date of the Administration, together with details of the names, addresses and the amounts owed to the Company's creditors.

The values at which creditor claims are stated in the SoA are those which are reflected in the books and records of the Company and may not be (wholly) correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title. Creditors' claims will be adjudicated if and when a dividend is available for creditors. In accordance with the standard format of the SoA, no provision has been made for the costs of the Administration (including agents, legal and other professional fees).

Commentary on the SoA is detailed below:

Computer and office equipment

This asset consists mainly of computer equipment such as laptops, iPads and monitors as well as some office equipment. The estimated to realise value totals between £2,250 and £3,250.

Cash at bank

The sum of £14,500 was transferred to BM Advisory's client account on Friday 30th August 2019. This was subsequently transferred to the Company's Estate bank account on 12 September 2019.

It is anticipated that the balance of £2,628 will be received shortly.

VAT Recoverable

This is likely to be set off given the liability to HMRC.

Intellectual property, goodwill etc.

This asset relates to goodwill rights in the Company's brand, registered and unregistered trademarks, website content and domain name portfolio. As detailed above, these realised £122,500 for the benefit of the estate. No further realisations are anticipated in this regard.

Secured creditor

The Company granted a fixed and floating charge to Simon Sacerdoti on 30 July 2019. Mr Sacerdoti is owed a residual balance £566 under his security.

Preferential creditors

The Company had forty three employees who are estimated to have preferential claims totalling £86,659. This is subject to the formal adjudication of employees' claims in due course.

Unsecured creditors

There are 26 unsecured creditors and their claims are estimated at £7,833,608, however the largest creditor by far is the holding company in respect of an inter-company loan of £7,437,958.

The unsecured element of employees' claims is estimated to total £235,820. This is subject to employees submitting their claims to the Redundancy Payments Office and is in respect of the balance of any wage arrears, outstanding notice and redundancy pay.

The SofA details that the Company had one customer totalling £122,306. It is understood that this represents a contingent liability in relation to a contract which has subsequently been determined. No claim is anticipated in this regard.

6. PRESCRIBED PART

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Act, as long as the floating charge was registered later than 15 September 2003. The Administrators have to set aside (up to a maximum of £600,000):

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property.

The Company granted a fixed and floating charge to Simon Sacerdoti on 30 July 2019. The debt due to Simon Sacerdoti will be fully repaid under the fixed charge and as a result no monies will be paid under the floating charge and the prescribed part provisions do not apply.

7. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

The Administrators' receipts and payments account to 16 October 2019 is attached at **Appendix III** and reflects a balance in hand of £101,873. The funds are held in a non-interest bearing estate account.

8. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration, the remaining tasks will be to complete investigations into the affairs of the Company, settle the costs of the Administration, satisfy the outstanding secured creditor and pay a distribution to preferential creditors.

There are several exit routes available to the Administrators and the exit route chosen will largely depend upon the specific circumstances of the Administration. Based on current information, the most likely exit route will be via dissolution.

9. DIVIDEND PROSPECTS

It is anticipated that there will be a distribution to secured and preferential creditors. A dividend to unsecured creditors is unlikely in this matter due to insufficient asset realisations. A Proof of Debt form is attached at **Appendix IV** for the purpose of lodging your claim (if not already provided), should a dividend become available.

10. ADMINISTRATORS' INVESTIGATIONS

As part of the Administrators' statutory duties, it is their responsibility, to report on the conduct of any person who has acted as a director of the Company and also consider any areas requiring investigation with a view to making asset recoveries. The Administrators are also required to consider whether any civil proceedings should be taken. Should you have any information concerning the way that the Company's business was conducted or potential asset recoveries that you believe the Administrators should be aware of, then please write to this office formally setting out all relevant information or use the attached form at **Appendix V**. This request for information forms part of the normal investigation procedure.

11. ADMINISTRATORS' REMUNERATION

The Administrators are proposing that they should be remunerated on a time costs basis, in accordance with their normal charge out rates as prevailing at the time the work is performed and by reference to the time properly given by them and their staff. It is believed that this is an appropriate and reasonable basis for the nature and complexity of work required in this matter, based on previous experience of similar matters. Attached, at **Appendix VI**, is a fee estimate which sets out the work that will be undertaken, the average rates expected to be charged for each category and the time it is expected to take, together with details of this firm's charge out and disbursement rates. In respect of the work to be undertaken on a time cost basis, the amount set out in the fee estimate will act as a cap. Should time costs exceed this cap, further approval will be sought as appropriate. Based on current information, it is estimated that the total time costs in this matter will be £57,637. Whilst authority is being sought for the full amount of £57,637, it is only anticipated that we will be able to recover £35,637 and balance of our fees are likely to be written off.

I consider that a time cost basis is fair and reasonable in the circumstances as our fees will be proportionate to the time we expect to spend dealing with administrative and statutory matters arising in the Administration, which includes reporting to creditors, investigating the affairs of the Company leading up to my appointment, together with specific matters such as realising the Company's assets, liaising with leasing companies and agents to arrange collection of leased assets, adjudicating and paying a dividend to secured and preferential creditors and other statutory duties.

Please note that the list of work to be undertaken includes tasks that typically arise in an Administration and are expected to be necessary in this matter. However, if any one task is not required it will not make a material difference to the estimated cost. If the Administrators' investigations lead to potential further asset recoveries or legal proceedings, in addition to those reported, it may be necessary to seek additional fee approval in excess of this original estimate.

The approval of the basis of the Administrators' remuneration and Category 2 expenses forms part of these proposals. A guide to fees can be found at www.bm-advisory.com/resources/ and provides information relating to Administrators' remuneration. A hard copy is available on request. Approval for the Joint Administrators' pre-appointment costs and post appointment remuneration shall be sought, unless a committee is formed, from the secured and preferential creditors.

Attached at **Appendix VII**, is a summary of the actual time costs to date and the work undertaken. Since the Administration commenced to 2 September 2019, a total of 147 hours at a cost of £44,582 has been incurred, resulting in an average hourly charge out rate of £304.

Detailed below are the expenses expected to be incurred during the Administration and what has been incurred to date. The estimated figures are based on BM Advisory's policy on fees.

		Estimated total cost £	Incurred to date £
Statutory advertising	Category 1	73.55	73.55
Printing	Category 2	55.80	19.80
Postage	Category 1	115.00	20.13
Virtual meeting	Category 1	20.00	-
Land Registry search	Category 1	22.00	-
Storage	Category 1	100.00	-
Bond	Category 1	312.00	312.00
TOTAL		698.35	425.48

The following agents and professional advisors have been used in the Administration, with details of the agreed fee arrangements and costs incurred to date:

	Fee arrangement	Estimated total cost £	Incurred to date £	Paid to date
Metis Partners, Intellectual Property agents	% of realisations	25,375	25,375	25,375
Key Appraisal Ltd, MRICS	% of realisations	1,000	-	-
AMB Law Limited, solicitors	Time cost	15,000	15,000	-
Evolve IS Limited	Fixed Fee	1,500	1,500	-

The choice of professionals was based on their experience and ability to perform the type of work, the complexity and nature of this assignment and the basis of the fee arrangement with them. The fees charged have been reviewed for reasonableness. Metis outstanding costs are in relation to buyer's premiums due from SSE and Kevin Devine. These are settled outside of the Administration.

Category 1 expenses do not have to be approved but actual expenses incurred will be compared to the original estimate when reporting to creditors.

12. PRE-ADMINISTRATION COSTS

Pre-Administration costs are the remuneration, charges and expenses incurred by the Administrators before the Company entered into Administration but with a view to it doing so. Pursuant to an engagement letter dated 13 August 2019, the directors agreed that this firm's pre-Administration costs and expenses would be based upon time properly spent at the firm's standard charge out rates and the total costs. It was also agreed that expenses would be incurred for agents' and legal fees.

The total costs for the pre-Administration period principally relate to the following work which was undertaken:

- commissioning an independent valuation report and business sale memorandum
- marketing the business and assets of the Company and liaising with interested parties
- communicating with interested parties with a view to generating offers for the business and/or assets

- dialling into weekly Board meetings in order to keep the Board apprised of the marketing/sales process and to provide comment upon the Company's cashflow position
- negotiations with the short-listed interested parties and agreeing heads of terms for the sale of the business and assets with the successful bidders
- statutory planning work and preparation in relation to the appointment of the Administrators.

This work, undertaken prior to the appointment, allowed an extended marketing period and during which the Company and the Board required professional advice. This was in the best interests of the creditors as a whole and enabled the purpose of the Administration to be achieved. During this period, it was anticipated there would be a substantive offer for the business and assets of the Company. The statutory and preparation work undertaken to assist the directors place the Company into Administration was required by statute and regulatory guidance but does not produce any direct benefit for creditors.

BM Advisory's pre-Administration costs amounted to £49,768.50, plus VAT, being 147 hours at an average hourly rate of £338. Whilst authority is being sought for £49,768.50, it is only anticipated that we will be able to recover £25,000 and therefore the balance of our pre-appointment fees are likely to be written off. During the pre-administration period, prior to instruction in relation to act as proposed Administrators, BM Advisory were paid a single fee of £7,500, plus VAT, by the Company.

Pre-Administration costs that were paid by the Company prior to the Administration are separate to those where approval is being sought from the creditors by a separate resolution. Payment of any unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under rule 3.52 and not part of the proposals subject to approval under paragraph 53 of schedule B1 of the Act.

	Paid prior to the Administration	Seeking approval to be paid as an expense
	£	£
BM Advisory - pre-Administration fees and costs	0.00	49,768.50

13. ADMINISTRATORS' PROPOSALS

Pursuant to Paragraph 49 of Schedule B1 of the Act, in order to achieve the objective of the Administration as set out in section 3 above, it is proposed to creditors that:

- (a) The Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
 - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company;
 - (iii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- (b) The Administration will continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. Based on current information, it is anticipated that the Administration will end by:

- (i) filing notice of dissolution with the Registrar of Companies. The Company will then be automatically dissolved three months after the notice is registered.
 - (ii) the presentation of a winding up petition to the Court for the compulsory liquidation of the Company.
- (c) *In the event that the Administration cannot be completed within twelve months and the Administrators are of the view that it is in the creditors' interest, they may propose to seek an extension of their appointment from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act.*
- (d) *In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrators be authorised to take steps to place the Company into whichever Liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Administrators would take the appointment as Joint Liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into Creditors' Voluntary Liquidation, and in accordance with paragraph 83(7), creditors may nominate a different person as the proposed Liquidator(s), provided that the nomination is made after the receipt of these proposals but before these proposals are approved.*
- (e) *The Administrators be at liberty to incur and pay such costs and expenses, including professional fees, as are considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrators' statutory duties.*
- (a) *The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to matters as set out in their fee estimate. The Administrators' remuneration will be agreed by the Creditors' Committee or by creditors, in the event that no Committee is formed.*
- (b) *The Administrators be at liberty to recharge category 2 disbursements as detailed in the circulated Creditors' guide to Administrators' fees.*
- (c) *The Administrators be at liberty to pay costs and remuneration in relation to proposals (e) and (f) above when funds become available.*
- (d) *The Administrators will consult with the creditors' committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation of these proposals and where they consider it expedient, obtain the sanction of that committee on behalf of the creditors of the Company (and without further reference to the general body of creditors) to any proposed action on the part of the Administrators.*
- (e) *The Administrators be discharged from liability in respect of any act of theirs immediately after they cease to be Administrators of the Company.*

14. APPROVAL OF PROPOSALS

The Administrators are not proposing to hold a creditors' decision procedure, under Paragraph 51(1) of Schedule B1 of the Act, since the purpose of the Administration is to achieve objective (c), being to realise property in order to make a distribution to one or more secured creditors and any preferential creditors of the Company.

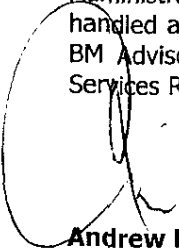
Creditors may request that a creditors' decision procedure is held if at least 10% of the creditors measured against the Company's total debts, request a decision procedure and the request is made within eight business days from the delivery of this notice. If creditors do not require the Administrators to hold a creditors' decision procedure within the time period, then the Administrators' proposals will be deemed to have been approved.

As a creditors' decision procedure is not being held, it will be for the secured creditors and preferential creditors to approve BM Advisory's outstanding pre-Administration costs and expenses, the Administrators' remuneration and Category 2 expenses.

15. FURTHER INFORMATION

It is considered that the EC Regulation on Insolvency Proceedings 2000 ("the EC Regulation") will apply as the Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom. If the EC Regulation does apply, these proceedings will be the main proceedings as defined in article 3(1).

During the course of the Administration, I will be required to hold certain personal data about creditors in order to process any creditor claims. This data will only be processed and held to comply with my obligations as Administrator. BM Advisory's Data Compliance Manager is responsible for how personal data information is handled and in this matter they have nominated Andrew Pear to control the data received. Information about BM Advisory's privacy policy, complaints procedure, Professional Indemnity insurance and the Provision of Services Regulations, can be found at www.bm-advisory.com/about/legals-compliance/.



Andrew Pear
Joint Administrator

LEVEL GLOBAL LIMITED – IN ADMINISTRATION

STATUTORY INFORMATION

Company information

Company Number	08538224												
Previous name(s)	ERPAAS Limited												
Date of Incorporation	21 May 2013												
Principal trading activity	Business and domestic software development												
Trading name(s)	N/A												
Trading Address	4th Floor 1 Kingdom Street London England W2 6BD												
Registered Office	c/o BM Advisory 82 St John St London EC1M 4JN												
Former Registered Office	4th Floor 1 Kingdom Street London W2 6BD												
Directors	The directors of the Company over the last 3 years are detailed below: <table><tr><td>Samik Kumar</td><td>24 July 2017 to present</td></tr><tr><td>Simon C Robinson</td><td>21 May 2013 to present</td></tr><tr><td>Simon E Sacerdoti</td><td>16 November 2018 to present</td></tr><tr><td>Hugh McGill Blair</td><td>21 May 2013 to 17 July 2017</td></tr><tr><td>Nigel C Hedley</td><td>19 July 2017 to 13 December 2017</td></tr><tr><td>Stephen P Robinson</td><td>19 July 2017 to 19 August 2019</td></tr></table>	Samik Kumar	24 July 2017 to present	Simon C Robinson	21 May 2013 to present	Simon E Sacerdoti	16 November 2018 to present	Hugh McGill Blair	21 May 2013 to 17 July 2017	Nigel C Hedley	19 July 2017 to 13 December 2017	Stephen P Robinson	19 July 2017 to 19 August 2019
Samik Kumar	24 July 2017 to present												
Simon C Robinson	21 May 2013 to present												
Simon E Sacerdoti	16 November 2018 to present												
Hugh McGill Blair	21 May 2013 to 17 July 2017												
Nigel C Hedley	19 July 2017 to 13 December 2017												
Stephen P Robinson	19 July 2017 to 19 August 2019												
Company Secretary	N/A												
Related entities	Level Global (Holdings) Limited, (Company number 08290972), parent company.												

Share Capital

The Company's authorised share capital consists of 1 ordinary shares with a nominal value of £1 each.

Level Global (Holdings) Limited	1 Ordinary Shares
---------------------------------	-------------------

Registered charges

Simon Sacerdoti	
Fixed and floating charge	
Created:	30 July 2019
Registered:	2 August 2019

Appointment details

Date of appointment	2 September 2019
Appointment made by	The Directors
Court name	High Court of Justice, Business and Property Courts of England & Wales, Insolvency and Companies List (ChD)
Court reference	CR - 2019 - 005557
Joint Administrators	Andrew Pear and Michael Solomons

Statement of affairs

Name of Company Level Global Ltd	Company number 08538224
In the High Court of Justice	Court case number 5557 of 2019

(a) insert name and
address of registered
office of the company

Statement as to the affairs of (a) Level Global Ltd of 4th Floor 1 Kingdom St, London,
W2 6BD.

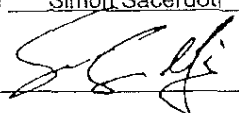
(b) Insert date

on the (b) 2 September 2019, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above named company as at (b) 2 September 2019
the date that the company entered administration.

Full name Simon Sacerdoti

Signed 

Dated 13 September 2019

Level Global Ltd – In Administration
Statement of Affairs as at 2 September 2019

A – Summary of Assets

Assets	Book Value £	Estimated to realise £
Assets subject to fixed charge		
Tangible assets – computer and office equipment	11,095.59	1,000
Deposit on offices	17,272.00	-
Cash at bank and in hand	2,628.15	2,628
Cash held by Administrator	14,500.00	14,500
Accounts receivable	1,275.60	-
VAT Recoverable	6,506.57	-
Intellectual property, goodwill etc	-	122,500
Fixed charge creditors		
Simon Sacerdoti	(565.92)	(566)
Assets subject to floating charge		
All assets of the Company, including those listed above	-	-
Uncharged assets		
None	-	-

Estimated total assets available for preferential creditors

140,062

Signature



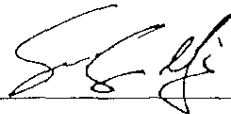
Date: 13 September 2019

Level Global Ltd – In Administration
Statement of Affairs as at 2 September 2019

A1– Summary of Liabilities

Liabilities	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	140,062
Liabilities	
Preferential creditors	(86,659)
Estimated deficiency /surplus as regards to preferential creditors	53,403
Estimated prescribed part of net property where applicable (to carry forward)	-
Estimated total assets available for floating charge holders	53,403
Debts secured by floating charges	-
Estimated deficiency/surplus of assets after floating charges	53,403
Estimated prescribed part of net property where applicable (brought down)	-
Surplus of assets after floating charges brought down	53,403
Total assets available for unsecured creditors	53,403
Unsecured non preferential claims	
Creditors	(7,833,608)
Employees/former employees (no. of creditors = 43)	(235,820)
Consumers claiming amounts paid in advance for the supply of goods and services (no. of creditors = 1)	(122,306)
Estimated deficiency/surplus as regards non preferential creditors	(8,191,734)
Issued and called up capital	(1)
Estimated total deficiency/surplus as regards members	(8,191,735)

Signature



Date: 13 September 2019

Level Global Ltd – In Administration

B - Company Creditors

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Fagua SA t/a B.Expand	World Trade Centre, Via Lugano 16, 6982 Agno - Lugano (TI), Switzerland	16,366.76			
Bluebird Developments Ltd	PO Box 196, Chichester, Sussex PO18 8YL	13,200.00			
Clowes Developments Ltd	9 Coates Crescent, Edinburgh EH3 7AL	6,011.40			
Croner	Croner House, Wheatfield Way, Hinckley, LE10 1YG	1,022.00			
Deborah Kops		8,313.38			
Digiworkz Limited	WeWork, 30 Stamford Street, London SE1 9LS	3,600.00			
Hannah Smith		4,500.00			
Knights PLC	The Brampton, Newcastle-under-Lyme, Staffordshire ST5 0QW	6,303.96			
Motion Recruitment Partners Ltd	Midas Building, Silverhills Road, Newton Abbot TQ12 5ND	15,120.00			

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
MS61 Consultancy	Wassenaarseweg 21, 2596 CE Den Haag, The Netherlands	26,400.00			
Now Pensions	2nd Floor, 25 Christopher Street, London EC2A 2BS	67.20			
Now Pensions	2nd Floor, 25 Christopher Street, London EC2A 2BS	20,811.86			
Informa Telecoms & Media Ltd t/a OVUM	5 Howick Place, London SW1P 1WG	16,200.00			
PKF Cooper Parry Group Limited	Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derbyshire DE74 2SA	662.40			
Receivr	86-90 Paul Street, London EC2A 4NE	23.99			
IW Group Services (UK) Limited	1 Burwood Place, London W2 2UT	27,479.47			
RSM Tax and Advisory Services LLP	25 Farringdon Street London EC4A 4AB	2,400.00			
Sharpspring	5001 Celebration Pointe Avenue, Suite 410, Gainesville, FL 32608, USA	950.00			
Smartbear (Ireland) Ltd	Mayoralty House, Glood Street, Galway, Ireland	4,154.88			
Sterling Technology Ltd	35 New Broad Street, New Broad Street House, London EC2M 1NH	589.17			


Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
The Highland Council	Non Domestic Rates Team, Revenues and Customer Service, PO Box 5650, Inverness, IV3 5YX	7,164.00			
Umi Ltd/Business & Enterprise Commercial Ltd	Spectrum 6, Spectrum Business Park, Seaham, SR7 7TT	618.00			
Wilson Gunn	5th Floor, Blackfriars House, The Parsonage, Manchester M3 2JA	149.92			
Simon Sacerdoti		565.92	Debenture	30/07/2019	26,765.92
HMRC (PAYE)		212,975.65			
Level Global (Holdings) Limited	4th Floor, 1 Kingdom Street, London W2 6BD	7,437,957.97			
TOTAL:		7,833,607.93			

Signature  Date: 13 September 2019

Level Global Ltd – In Administration

C - Company Shareholders

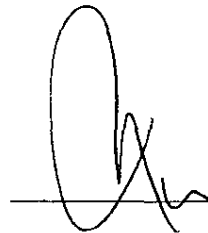
Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of shares held
Level Global (Holdings) Limited	82 St John Street, London EC1M 4JN	1	1.00	

Signature 

Date: 13 September 2019

Level Global Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 16/10/2019

S of A £		£	£
122,500.00	SECURED ASSETS Intellectual property, goodwill etc	122,500.00	122,500.00
(566.00)	SECURED CREDITORS Simon Sacerdoti	NIL	NIL
1,000.00	ASSET REALISATIONS Computer & office equipment	NIL	
NIL	VAT recoverable	NIL	
14,500.00	Cash in hand	14,500.00	
	Buyer's overpayment	300.00	
NIL	Lease deposit on offices	NIL	
2,628.00	Cash at bank	NIL	
NIL	Accounts receivable	NIL	14,800.00
	COST OF REALISATIONS		
	Agents' fees	25,375.00	
	IT Services	970.34	
	Statutory advertising	73.55	
	Wages	13,871.36	
	PAYE & NIC	8,027.71	
	Consultancy: Former staff	6,329.55	(54,647.51)
(86,659.00)	PREFERENTIAL CREDITORS Employees/Former employees	NIL	NIL
(7,955,914.00)	UNSECURED CREDITORS Trade & expense creditors	NIL	
(235,820.00)	Employees/Former employees	NIL	NIL
(8,138,331.00)			82,652.49
	REPRESENTED BY		
	VAT receivable		5,279.71
	Estate account - non interest bearing		101,872.78
	Fixed Charge VAT payable		(24,500.00)
			82,652.49



Andrew Pear
Joint Administrator

PROOF OF DEBT - GENERAL FORM

Level Global Ltd - in Administration Company Number: 08538224	
This proof must be made out by, or under the direction of, the creditor and authorised by the creditor or a person with relevant authorisation as at the date of Administration.	
Date of Administration: 02 September 2019	
1.	Name of Creditor (If a company please also give company name and registration number)
2.	Address of Creditor for correspondence (principal place of business)
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration <div style="float: right; width: 50px; text-align: right;">£</div>
4.	If amount in 3 above includes outstanding uncapitalised interest please state amount <div style="float: right; width: 50px; text-align: right;">£</div>
5.	Particulars of how and when debt incurred. If you need more space append a continuation sheet to this form.
6.	Particulars of any security held, the value of the security, and the date it was given
7.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
8.	Details of any documents by reference to which the debt can be substantiated. Note: there is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at their discretion as may the chair or convenor of any meeting.
9.	Signature of creditor or person authorised to act on their behalf
	Name in BLOCK LETTERS
	Date
	Position with or in relation to creditor
	Address of person signing (if different from 2 above)
FOR OFFICE USE ONLY	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator

CREDITOR'S QUESTIONNAIRE

INVESTIGATION INTO THE AFFAIRS OF LEVEL GLOBAL LIMITED - IN ADMINISTRATION

Creditor's name:	
Creditor's address:	
Claim, £:	
1. Does your claim exceed the credit limit provided to the company? If yes, on what terms was the additional credit allowed?	
2. Please provide details of any security or assurance given to you to allow continuance of credit.	
3. When were you first aware of any difficulties and what was the evidence of this? i.e. extended credit, lump sum payments, dishonoured payments. Please provide details of any dates and amounts.	
4. Please provide details and dates of any writs, summons, decrees or other legal action taken to recover your debt.	
5. Are there any other matters you feel should be reviewed? If so, please provide details.	

Signature	
Name in BLOCK LETTERS	
Position with creditor or relationship to creditor or other authority for signature. (Only to be completed if the creditor has not signed in person)	
Date	

**Should there be insufficient space on this form, please use a separate piece of paper clearly indicating which question the continuation sheet refers to.*

LEVEL GLOBAL LTD - IN ADMINISTRATION

Fees estimate for work to be undertaken during the Administration

The Administration are proposing to be remunerated on a time cost basis. Detailed below is an analysis of the work we expect to undertake, the time we expect it to take and an estimate of the cost. The average charge out rate has been calculated for each task and the case as a whole, which takes into account the different grades of staff who will be carrying out each task. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units. BM Advisory's statement of policy on fees details our full policy on fees and our hourly rates by grade.

Please note that this estimate has been provided as soon as practicable but before full knowledge of the case is known. Every effort has been made to estimate the costs based on our current knowledge of the case, as well as our experience of cases of a similar nature and complexity. If the time costs incurred exceed, or are likely to exceed, the estimate we will provide an explanation to creditors and seek further approval before drawing remuneration in excess of the estimate.

Task	Estimated hours hrs	Estimated cost £	Average charge out rate £
ADMINISTRATION AND PLANNING			
Strategy & planning - devising an appropriate strategy for dealing with the case and giving instructions to staff.	13.00	3,005.00	231.15
Opening, maintaining and managing the officeholders' estate bank account.	1.00	85.00	85.00
Creating, maintaining and managing the officeholders' cashbook.	2.00	170.00	85.00
Undertaking regular reconciliations of the officeholders' estate bank account.	1.00	85.00	85.00
Subtotal	17.00	3,345.00	196.76
STATUTORY COMPLIANCE			
Setting up physical/electronic case files.	0.30	37.50	125.00
Setting up the case on insolvency practice management software and inputting necessary data.	0.50	62.50	125.00
Dealing with all correspondence and emails relating to the case.	5.50	1,245.00	226.36
Delivering statutory notifications to creditors and others as required on appointment, including advertising the officeholders' appointment in the Gazette.	18.00	3,150.00	175.00
Conduct statutory searches to identify company pension schemes.	0.20	25.00	125.00
Deal with statutory obligations in relation to identified company pension schemes	0.20	25.00	125.00
Obtaining a specific penalty bond.	0.20	25.00	125.00
Convening and holding general meetings of members, and enacting decision procedures of creditors (as applicable).	3.00	717.50	239.17
Reviewing the adequacy of the specific penalty bond on a quarterly basis.	0.20	17.00	85.00
Undertaking periodic reviews of the progress of the case.	5.20	1,797.00	345.58
Overseeing and controlling the work done.	1.00	360.00	360.00
Preparing, reviewing and issuing progress reports to creditors and members.	8.00	2,115.00	264.38
Filing returns at Companies House and/or Court (as applicable).	0.50	62.50	125.00
Preparing and filing VAT returns.	0.20	17.00	85.00
Preparing and filing Corporation Tax returns.	0.50	42.50	85.00
Seeking closure clearance from HMRC and other relevant parties.	0.50	42.50	85.00
Preparing, reviewing and issuing final accounts/reports to creditors and members.	4.50	905.00	201.11
Filing final accounts/reports at Companies House and/or Court (as applicable).	1.50	187.50	125.00
Subtotal	50.00	10,833.50	216.67
INVESTIGATIONS			
Recovering the Company's books and records.	17.00	3,645.00	214.41
Scheduling the Company's books and records.	1.00	125.00	125.00
Preparing a report on the conduct of the directors as required by the Company Directors Disqualification Act.	1.50	187.50	125.00
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	16.40	4,132.00	251.95
Reviewing books and records to identify any suspicious transactions or actions the officeholder may take against a third party in order to recover funds for the benefit of creditors.	3.50	805.00	230.00
Subtotal	39.40	8,894.50	225.75
ASSET REALISATIONS			
Arranging suitable insurance over assets.	0.10	34.00	340.00
Regularly monitoring the suitability and appropriateness of the insurance cover in place.	0.10	34.00	340.00
Corresponding with debtors and attempting to collect outstanding book debts.	0.10	34.00	340.00
Liaising with the bank to recover any credit balances and close the account(s).	0.50	62.50	125.00
Instructing agents to value known assets.	61.40	23,576.00	383.97
Instructing solicitors to assist in the realisation of assets.	8.00	2,990.00	373.75
Instructing solicitors to assist in the realisation of the freehold/leasehold property.	2.70	915.00	338.89
Liaising with the secured creditors over the realisation of the assets subject to a mortgage or other charge.	8.00	3,440.00	430.00
Subtotal	80.90	31,085.50	384.25
CREDITORS			
Liaising with secured creditors regarding details of security and estimated outcome.	0.70	204.00	291.43
Obtaining information from the case records about employee claims.	4.00	685.00	171.25
Liaising with the Redundancy Payments Office regarding employee claims.	1.50	280.00	186.67
Issuing a notice of intended dividend to preferential creditors, and advertising notice of intention to pay a dividend to preferential creditors in the Gazette.	1.20	187.00	155.83
Reviewing proofs of debt received from preferential creditors, adjudicating on them and formally admitting them for the payment of a dividend.	3.50	530.00	151.43
Requesting additional information from preferential creditors in support of their proofs of debt in order to adjudicate on their claims.	1.00	125.00	125.00
Calculating and paying a dividend to preferential creditors, and issuing the notice of declaration of dividend.	4.00	500.00	125.00
Review and calculate net property and prescribed part provision.	5.50	780.00	141.82
Paying tax deducted from employee dividends to HM Revenue & Customs.	1.50	187.50	125.00
Subtotal	22.90	3,478.50	151.90
TOTAL	210.20	57,637.00	274.20

Notes:

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

- 'Statutory Compliance' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

- 'Investigations' represents the work required to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors. If potential recoveries or matters are identified that require further investigation, additional time costs will be incurred to investigate them in detail and to bring recovery actions where necessary. If further fee approval is required, creditors will be provided with additional information as necessary and asked to approve the fee request. The office holder is also required by legislation to report to the Insolvency Service on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.

- 'Asset realisations' represents the work required to be undertaken to realise the known assets in the case, for the estimated realisable values provided to creditors.

- 'Creditors' represents the work required to deal with the various creditors of the Company. Former employees claims must be processed appropriately by the Redundancy Payments Office, which involves dealing with all queries to facilitate the processing.

BM ADVISORY

STATEMENT OF POLICY ON FEES

Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3).

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below.

Policy on fees

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1 March 2014 the hourly rates applicable are:

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator	185
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

Further information on the manner in which an Office Holder's fees may be fixed, can be found in the guidance notes on our website: www.bm-advisory.com/resources/.

Disbursements

Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory and recharged to the case; they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered:

Meeting room hire	Up to £200
Postage	£0.51 - £2.25
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

LEVEL GLOBAL LTD - IN ADMINISTRATION

Summary of work undertaken during the period 2 September 2019 to 16 October 2019

BM Advisory.

Task	ORIGINAL ESTIMATE			REPORTING PERIOD		
	Estimated hours hrs	Estimated cost £	Average charge out rate £	Actual hours in period hrs	Actual costs in period £	Average charge out rate £
Administration and planning	17.00	3,345.00	196.76	10.70	2,426.00	226.73
Statutory compliance	50.00	10,833.50	216.67	29.50	6,713.50	227.58
Investigations	39.40	8,894.50	225.75	8.60	2,279.00	265.00
Asset realisations	80.90	31,085.50	384.25	75.50	27,788.50	368.06
Creditors	22.90	3,478.50	151.90	22.20	5,374.50	242.09
TOTAL	210.20	57,637.00	274.20	146.50	44,581.50	304.31

A summary of the work undertaken in this reporting period is detailed below and was required to be undertaken to deal with the specific circumstances of the case, as well as meet our statutory duties obligations:

ADMINISTRATION AND PLANNING

Strategy & planning - devising an appropriate strategy for dealing with the case and giving instructions to staff.

Opening, maintaining and managing the officeholders' estate bank account.

Creating, maintaining and managing the officeholders' cashbook.

Undertaking regular reconciliations of the officeholders' estate bank account.

STATUTORY COMPLIANCE

Setting up physical/electronic case files.

Setting up the case on Insolvency practice management software and inputting necessary data.

Dealing with all correspondence and emails relating to the case.

Delivering statutory notifications to creditors and others as required on appointment, including advertising the officeholders' appointment in the Gazette.

Conduct statutory searches to identify company pension schemes.

Deal with statutory obligations in relation to identified company pension schemes

Obtaining a specific penalty bond.

Overseeing and controlling the work done.

INVESTIGATIONS

Recovering the Company's books and records.

Scheduling the Company's books and records.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any suspicious transactions or actions the officeholder may take against a third party in order to recover funds for the benefit of creditors.

ASSET REALISATIONS

Arranging suitable insurance over assets.

Liaising with the bank to recover any credit balances and close the account(s).

Instructing agents to value known assets.

Liaising with agents to realise known assets.

Instructing solicitors to assist in the realisation of assets.

Liaising with the secured creditors over the realisation of the assets subject to a mortgage or other charge.

CREDITORS

Liaising with secured creditors regarding details of security and estimated outcome.

Review validity of charges and (if appropriate) make a distribution to secured creditor(s).

Obtaining information from the case records about employee claims.

Completing documentation for submission to the Redundancy Payments Office.

Corresponding with employees regarding their claims.

Dealing with all creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the insolvency practice management system.

Notes:

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the Insolvency legislation and the Statements of Insolvency Practice.

- 'Statutory compliance and reporting' represents the work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the Insolvency legislation and the Statements of Insolvency Practice.

- 'Investigations' represents the work required to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors. If potential recoveries or matters are identified that require further investigation, additional time costs will be incurred to investigate them in detail and to bring recovery actions where necessary. If further fee approval is required, creditors will be provided with additional information as necessary and asked to approve the fee request. The office holder is also required by legislation to report to the Insolvency Service on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.

- 'Asset realisations' represents the work required to be undertaken to realise the known assets in the case, for the estimated realisable values provided to creditors.

- 'Creditors' represents the work required to deal with the various creditors of the Company. Former employees claims must be processed appropriately by the Redundancy Payments Office, which involves dealing with all queries to facilitate the processing.